

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE PETITION OF )  
DELAWARE DIVISION OF THE PUBLIC )  
ADVOCATE TO REDUCE THE RATES OF )  
REGULATED UTILITIES AS A RESULT ) PSC DOCKET NO. 17-1240  
OF THE TAX CUTS AND JOBS ACT OF )  
2017'S REDUCTION IN CORPORATE )  
INCOME TAXES AND OTHER TAX )  
CHANGES (FILED DECEMBER 27, 2017) )

**ORDER NO. 9330**

**AND NOW**, this 31<sup>st</sup> day of January, 2019:

1. On December 22, 2017, the President signed the Tax Cuts and Jobs Act of 2017 ("TCJA"), which became effective on January 1, 2018. The TCJA represents the first significant change in the United States federal tax laws since the 1986 Tax reform Act. Among other things, the TCJA: (1) reduces the federal corporate income tax rate from 35% to 21%; (2) allows full and immediate expensing of short-lived capital investments for five years; and (3) increases the expensing cap from \$500,000 to \$1 million.

2. The Delaware Public Service Commission ("Commission") has long included in a regulated utility's operating expenses an amount of federal corporate income tax equal to what the utility would pay if it were a stand-alone company. For many years, the Commission has included in regulated utilities' operating expenses an amount of federal corporate income tax equal to 35%, and has deducted from those utilities' rate base a corresponding amount of Accumulated Deferred Income Tax ("ADIT") pursuant to 26 Del. C. §102(3).

3. On December 27, 2017, the Delaware Division of the Public Advocate ("DPA") filed a petition with the Commission requesting the

Commission to open a docket to examine whether the current rates of its regulated utilities required reduction as a result of the TCJA. The DPA contended that unless the Commission reduces rates in an amount that corresponds to the benefits that the TCJA confers on the utilities, Delaware regulated utility ratepayers will be paying unjust and unreasonable rates. The DPA requested the Commission to direct each regulated utility to file an estimate of its determination of the TCJA's effects on its cost of service, and to propose a procedure for changing rates to reflect those impacts, on or before March 31, 2018. Additionally, should the Commission determine that any utility's rates require reduction as a result of its review of the utility's submission, the DPA asked the Commission to open a docket for each utility for which it made such a determination, and to establish a procedural schedule for conducting an evidentiary hearing regarding the TCJA's impacts on the utility's operations and existing rates.

4. On January 16, 2018, in Order No. 9166, the Commission granted the DPA's petition. It directed each rate-regulated public utility to file an estimate of its determination of the TCJA's effects on its cost of service for the most recent test year available (including new rate schedules) and to propose a procedure for changing rates to reflect those impacts on or before March 31, 2018. It also ordered that if it determined that a utility's rates required reduction, it would open a new docket for each utility for which it made such a determination and would establish a procedural schedule for conducting an evidentiary hearing regarding the TCJA's impacts on the utility's operations and existing rates. The Commission exempted Delmarva Power & Light Company

("DPL") from this order, instead directing that the effects of the TCJA on DPL's electric and natural gas base rates would be addressed in DPL's pending base rate cases, Docket Nos. 17-0977 and 17-0978.

5. On January 19, 2018, the DPA filed a motion to direct regulated utilities to create regulatory liabilities reflecting the Delaware jurisdictional revenue requirement impacts of the TCJA effective February 1, 2018 while the Commission determines whether a utility's rates required reduction and, if so, the amount of such reduction. The DPA contended that in order to preserve the rate-reducing effects of the TCJA until the Commission approves new rates for the utilities, a regulatory liability must be created; otherwise, the prohibition against retroactive ratemaking would deprive ratepayers of the benefits accruing from the TCJA between its effective date and the date on which Commission-authorized new rates become effective. The DPA noted that the reduction of the federal income tax rate from 35% to 21% benefits ratepayers by reducing one of the elements of a utility's cost of service that goes into calculating a utility's revenue requirement by 14%.

6. On February 1, 2018, in Order No. 9177, the Commission granted the DPA's motion and directed all Delaware rate-regulated public utilities to create regulatory liabilities reflecting the Delaware jurisdictional revenue requirement impacts of the changes in the federal corporate income tax laws, in order to protect ratepayer interests until such time as the TCJA benefits are appropriately reflected in customers' rates and to avoid retroactive ratemaking.

7. On March 30, 2018, Chesapeake Utilities Corporation ("Chesapeake") complied with Commission Order No. 9166 and submitted an estimate of its determination of the TCJA's effects on its cost of service for the most recent test year available (including new rate schedules) and to propose a procedure for changing rates to reflect those impacts. It further submitted a proposal for returning the regulatory liability created pursuant to Commission Order No. 9177 to ratepayers.

8. The DPA and Commission Staff have reviewed Chesapeake's filing. The DPA, Staff and Chesapeake have agreed, subject to the Commission's consideration and approval, that Chesapeake's volumetric rates shall be reduced to reflect the reduction of the federal corporate income tax rate from 35% to 21%, as reflected in the following table:

<b>Residential Service 1</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.627	\$0.512
Next 30 ccf	\$0.300	\$0.185
Over 50 ccf	\$0.190	\$0.075

<b>Residential Service 1 - Expansion</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.627	\$0.512
Next 30 ccf	\$0.300	\$0.185
Over 50 ccf	\$0.190	\$0.075

<b>Residential Service 2</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.621	\$0.595
Next 30 ccf	\$0.362	\$0.336
Over 50 ccf	\$0.175	\$0.149

<b>Residential Service 2- Expansion</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.621	\$0.595
Next 30 ccf	\$0.362	\$0.336
Over 50 ccf	\$0.175	\$0.149

<b>General Service</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.426	\$0.391
Next 30 ccf	\$0.257	\$0.222
Over 50 ccf	\$0.119	\$0.084

<b>General Service - Expansion</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 20 ccf	\$0.426	\$0.391
Next 30 ccf	\$0.257	\$0.222
Over 50 ccf	\$0.119	\$0.084

<b>Medium Volume Service</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 200 ccf	\$0.242	\$0.222
Over 200 ccf	\$0.130	\$0.110

<b>Medium Volume Service - Expansion</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 200 ccf	\$0.242	\$0.222
Over 200 ccf	\$0.130	\$0.110

<b>Large Volume Service</b>		
	<b>Current Rate</b>	<b>New Rate</b>
First 200 ccf	\$0.329	\$0.323
Over 200 ccf	\$0.086	\$0.080

<b>High Load Factor Service</b>		
	<b>Current Rate</b>	<b>New Rate</b>
All Consumption	\$0.0880	\$0.084

See Tariff Sheets attached hereto as Exhibit 1.

9. The DPA, Staff and Chesapeake have further agreed that, subject to the Commission's consideration and approval, the regulatory liability created pursuant to Order No. 9177 for the tax collected from February 1, 2018 through the effective date of these rate changes shall be returned to ratepayers via a credit on ratepayers' bills during the period April through June 2019.

10. Chesapeake will be refunding its Excess Deferred Income Tax ("EDIT") through a sur-credit beginning April 1, 2019 and will give back 12 months' worth in 2019. Each year a new sur-credit will be implemented on January 1<sup>st</sup> and the Company will file its proposed sur-credit 30 days prior to the first effective date of April 1, 2019 and thereafter 30 days prior to the January 1<sup>st</sup> effective date.

10. On January 31, 2019, the Commission considered Chesapeake's new proposed rates at its regularly-scheduled meeting.

**NOW, THEREFORE, BY THE AFFIRMATIVE VOTES OF NO FEWER THAN THREE COMMISSIONERS, IT IS HEREBY FOUND AND ORDERED:**

1. Pursuant to 26 Del. C. § 304(a), the Commission finds good cause to waive the 60- days' notice of proposed rate changes and to waive the public notice requirement to allow these rate changes to become effective with usage on and after March 1, 2019. Good cause exists because the proposed changes are a decrease in rates, which benefits Chesapeake's ratepayers, and because Chesapeake has been on notice since the Commission issued Order Nos. 9166 and 9177 that the Commission would examine the effect of the TCJA on its rates.

2. The Commission hereby approves the proposed reductions in Chesapeake's volumetric rates set forth on the tariff sheets attached hereto as Exhibit 1, effective with usage on and after March 1, 2019.

3. The Commission hereby further approves the return of Chesapeake's regulatory liability created pursuant to Order No. 9177 for the tax collected from February 1, 2018 through the effective date of these rate changes to ratepayers via a credit on ratepayers' bills during the period April through June 2019.

4. The Company shall file its Initial Excess Deferred Income Tax Sur-Credit by March 1, 2019 with an effective date of April 1, 2019, including all workpapers and support used in the calculation. The Company shall file its total Excess Deferred Income Tax Workpapers for an audit and true-up of the Company's claimed EDIT by March 31, 2019.

5. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

**BY ORDER OF THE COMMISSION:**

\_\_\_\_\_  
Chairman

*James Horaway*  
\_\_\_\_\_  
Commissioner

*William H. [unclear]*  
\_\_\_\_\_  
Commissioner

*[Signature]*  
\_\_\_\_\_  
Commissioner

*K. Drexler*  
\_\_\_\_\_  
Commissioner

ATTEST:

*Donna Dickerson*  
\_\_\_\_\_  
Secretary



**RATE SCHEDULE "RS - 1"**

**RESIDENTIAL SERVICE - 1**

**AVAILABILITY**

This Rate Schedule is available to any individually metered Customer using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with an annual consumption of two hundred forty (240) Ccf or less. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on RS-1 Service will be moved to Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$13.50 per month
First 20 Ccf	\$0.512 per Ccf
Next 30 Ccf	\$0.185 per Ccf
Over 50 Ccf	\$0.075 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "RS-1" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**



**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date:** December 20, 2016

**Effective Date:** January 1, 2017

**Authorization:** Order No. 8982 dated December 20, 2016 in Docket No. 15-1734

**RATE SCHEDULE "RS - 2"**

**RESIDENTIAL SERVICE – 2**

**AVAILABILITY**

This Rate Schedule is available to any individually metered Customer using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with annual consumption of greater than two hundred forty (240) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on RS-1 Service will be moved to this Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. A Customer on this Rate Schedule will be moved to RS-1 Service with annual consumption less than two hundred sixteen (216) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$13.50 per month
First 20 Ccf	\$0.595 per Ccf
Next 30 Ccf	\$0.336 per Ccf
Over 50 Ccf	\$0.149 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "RS-2" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**  
**Effective Date: January 1, 2017**  
**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "ERS-1"**

**EXPANSION AREA RESIDENTIAL SERVICE – 1**

**AVAILABILITY**

This Rate Schedule is available to any individually metered Customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with an annual consumption of two hundred forty (240) Ccf or less. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on ERS-1 Service will be moved to Rate Schedule ERS-2 with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$16.50 per month
First 20 Ccf	\$0.512 per Ccf
Next 30 Ccf	\$0.185 per Ccf
Over 50 Ccf	\$0.075 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "ERS" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "ERS-1"**

**EXPANSION AREA RESIDENTIAL SERVICE – 1  
(Continued)**

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**  
**Effective Date: January 1, 2017**  
**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "ERS-2"**

**EXPANSION AREA RESIDENTIAL SERVICE – 2**

**AVAILABILITY**

This Rate Schedule is available to any individually metered Customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with annual consumption of greater than two hundred forty (240) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumptions warrant such a change. A Customer on ERS-1 Service will be moved to this Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. A Customer on this Rate Schedule will be moved to ERS-1 Service with annual consumption less than two hundred sixteen (216) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$31.75 per month
First 20 Ccf	\$0.595 per Ccf
Next 30 Ccf	\$0.336 per Ccf
Over 50 Ccf	\$0.149 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "ERS" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "ERS-2"**

**EXPANSION AREA RESIDENTIAL SERVICE – 2  
(Continued)**

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

## **RATE SCHEDULE "USA-R"**

### **UNDERSERVED AREA - RESIDENTIAL SERVICE**

#### **AVAILABILITY**

This Rate Schedule is available to individually metered Customers who use gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose, and who choose to utilize the USA-R rate to make the estimated costs and revenues of the extension to serve economic.

For all projects, outside of the Company's existing southeastern Sussex County, DE expansion area, that require a new main extension to provide service, the economic criteria of the project will be evaluated using the Internal Rate of Return Model ("IRRM") at the Company's standard tariff rates. Should the project fail to meet the return requirement under those conditions, the IRRM will be evaluated utilizing the revenues estimated with USA-R rates. If the project is economic utilizing USA-R rates, the Customer can choose to accept service under the USA-R rates, or pay a Contribution In Aid of Construction ("CIAC").

The premises will be assessed the USA-R rate for a period of 13 years, after which time they will be reclassified to the applicable standard tariff residential rate class during the Company's annual rate class review period. All premises receiving service from a main extension that is initially made economic through the use of Underserved Area rates will also be assessed the Underserved Area rate for a period of 13 years.

#### **DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$39.00 per month
First 20 Ccf	\$0.595 per Ccf
Next 30 Ccf	\$0.336 per Ccf
Over 50 Ccf	\$0.149 per Ccf

#### **GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "USA-R" provided on Sheet No. 42.

#### **PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

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**Issue Date:** January 31, 2019  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**



**RATE SCHEDULE "GS"**  
**GENERAL SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption of less than four thousand (4,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on General Service will be moved to Rate Schedule MVS with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$34.00 per month
First 20 Ccf	\$0.391 per Ccf
Next 30 Ccf	\$0.222 per Ccf
Over 50 Ccf	\$0.084 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "GS" provided on Sheet No. 42.

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate Schedule who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption.

<b>Firm Balancing Service Rate:</b>	\$0.133 per Ccf of gas consumed
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**Issue Date:** January 31, 2019

**Effective Date:** For Service Rendered on and after March 1, 2019

**Authorization:**

**RATE SCHEDULE "GS"  
GENERAL SERVICE  
(Continued)**

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of compressed natural gas ("CNG") to third parties.
- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or to Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption of less than four thousand (4,000) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial rate schedule should their annual consumption warrant such a change. A Customer on Rate Schedule EGS will be moved to Rate Schedule EMVS with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. This annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$56.00 per month
First 20 Ccf	\$0.391 per Ccf
Next 30 Ccf	\$0.222 per Ccf
Over 50 Ccf	\$0.084 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "EGS" provided on Sheet No. 42.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate Schedule who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

**Firm Balancing Service Rate:** \$0.133 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date:** August 31, 2018

**Effective Date:** For Service Rendered on and after November 1, 2018 (Temporary Basis)

**Authorization:** Order No. 9272 dated September 25, 2018 in Docket No. 18-1056

**RATE SCHEDULE "EGS"**  
**EXPANSION AREA GENERAL SERVICE**  
**(Continued)**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or to Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date:** December 20, 2016  
**Effective Date:** January 1, 2017  
**Authorization:** Order No. 8982 dated December 20, 2016 in Docket No. 15-1734

**RATE SCHEDULE "USA-G"**

**UNDERSERVED AREA - GENERAL SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption of less than four thousand (4,000) Ccf, and who choose to utilize the USA-G rate to make the estimated costs and revenues of the extension to serve economic.

For all projects, outside of the Company's existing southeastern Sussex County, DE expansion area, that require a new main extension to provide service, the economic criteria of the project will be evaluated using the Internal Rate of Return Model ("IRRM") at the Company's standard tariff rates. Should the project fail to meet the return requirement under those conditions, the IRRM will be evaluated utilizing the revenues estimated with USA-G rates. If the project is economic utilizing USA-G rates, the Customer can choose to accept service under the USA-G rates, or pay a Contribution In Aid of Construction ("CIAC").

The premises will be assessed the Underserved Area rate for a period of 13 years, after which time they will be reclassified to the applicable standard tariff residential rate class during the Company's annual rate class review period. All premises receiving service from a main extension that is initially made economic through the use of Underserved Area rates will also be assessed the Underserved Area rate for a period of 13 years.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$59.50 per month
First 20 Ccf	\$0.391 per Ccf
Next 30 Ccf	\$0.222 per Ccf
Over 50 Ccf	\$0.084 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "USA-G" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

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**Issue Date:** January 1, 2019  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "USA-G"**

**UNDERSERVED AREA – GENERAL SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

**Firm Balancing Service Rate:** \$0.133 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date:** August 31, 2018

**Effective Date:** For Service Rendered on and after November 1, 2018 (Temporary Basis)

**Authorization:** Order No. 9272 dated September 25, 2018 in Docket No. 18-1056

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**RATE SCHEDULE "USA-G"**

**UNDERSERVED AREA – GENERAL SERVICE**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: August 31, 2018**

**Effective Date: For Service Rendered on and after November 1, 2018 (Temporary Basis)**

**Authorization: Order No. 9272 dated September 25, 2018 in Docket No. 18-1056**



**RATE SCHEDULE "MVS"  
MEDIUM VOLUME SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than four thousand (4,000) Ccf and less than fifteen thousand (15,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on General Service will be moved to this Rate Schedule with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. A Customer on this Rate Schedule will be moved to General Service with annual consumption less than three thousand six hundred (3,600) Ccf. The annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$80.00 per month
First 200 Ccf	\$0.222 per Ccf
Over 200 Ccf	\$0.110 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "MVS" provided on Sheet No. 42.

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

<b>Firm Balancing Service Rate:</b>	<b>\$0.158 per Ccf of gas consumed</b>
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**Issue Date: January 31, 2018**

**Effective Date: For Service Rendered on and after March 1, 2029**

**Authorization:**

**RATE SCHEDULE "MVS"**

**MEDIUM VOLUME SERVICE**

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.
- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than four thousand (4,000) Ccf and less than fifteen thousand (15,000) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on Rate Schedule EGS will be moved to this Rate Schedule with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. A Customer on this Rate Schedule will be moved to Rate Schedule EGS with annual consumption less than three thousand six hundred (3,600) Ccf. The annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$158.75 per month
First 200 Ccf	\$0.222 per Ccf
Over 200 Ccf	\$0.110 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "EMVS" provided on Sheet No. 42.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:** -

**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

**Firm Balancing Service Rate:** \$0.158 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date: August 31, 2018**

**Effective Date: For Service Rendered on and after November 1, 2018 (Temporary Basis)**

**Authorization: Order No. 9272 dated September 25, 2018 in Docket No. 18-1056**

**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE  
(Continued)**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "USA-M"**

**UNDERSERVED AREA – MEDIUM VOLUME SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than four thousand (4,000) Ccf and less than fifteen thousand (15,000) Ccf, and who choose to utilize the USA-M rate to make the estimated costs and revenues of the extension to serve economic.

For all projects, outside of the Company's existing southeastern Sussex County, DE expansion area, that require a new main extension to provide service, the economic criteria of the project will be evaluated using the Internal Rate of Return Model ("IRRM") at the Company's standard tariff rates. Should the project fail to meet the return requirement under those conditions, the IRRM will be evaluated utilizing the revenues estimated with USA-M rates. If the project is economic utilizing USA-M rates, the Customer can choose to accept service under the USA-M rates, or pay a Contribution In Aid of Construction ("CIAC").

The premises will be assessed the Underserved Area rate for a period of 13 years, after which time they will be reclassified to the applicable standard tariff residential rate class during the Company's annual rate class review period. All premises receiving service from a main extension that is initially made economic through the use of Underserved Area rates will also be assessed the Underserved Area rate for a period of 13 years.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$105.50 per month
First 200 Ccf	\$0.222 per Ccf
Over 200 Ccf	\$0.110 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "USA-M" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

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**Issue Date:** January 1, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "USA-M"**

**UNDERSERVED AREA – MEDIUM VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

**Firm Balancing Service Rate:** \$0.158 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (3) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (4) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date:** August 31, 2018

**Effective Date:** For Service Rendered on and after November 1, 2018 (Temporary Basis)

**Authorization:** Order No. 9272 dated September 25, 2018 in Docket No. 18-1056

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**RATE SCHEDULE "USA-M"**

**UNDERSERVED AREA – MEDIUM VOLUME SERVICE**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (6) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (7) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (8) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: August 31, 2018**

**Effective Date: For Service Rendered on and after November 1, 2018 (Temporary Basis)**

**Authorization: Order No. 9272 dated September 25, 2018 in Docket No. 18-1056**



**RATE SCHEDULE "LVS"**

**LARGE VOLUME SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than fifteen thousand (15,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on Medium Volume Service will be moved to this Rate Schedule with annual consumption equal to or greater than sixteen thousand five hundred (16,500) Ccf. A Customer on this Rate Schedule will be moved to Medium Volume Service with annual consumption less than thirteen thousand five hundred (13,500) Ccf. The annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer charge:	\$175.00 per month
First 1000 Ccf	\$0.323 per Ccf
Over 1000 Ccf	\$0.080 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "LVS" provided on Sheet No. 42.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "LVS"**

**LARGE VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial Customers on this Rate Schedule who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service rate applied to all gas consumption.

Firm Balancing Service Rate: \$0.107 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date: August 31, 2018**

**Effective Date: For Service Rendered on and after November 1, 2018 (Temporary Basis)**

**Authorization: Order No. 9272 dated September 25, 2018 in Docket No. 18-1056**

**RATE SCHEDULE "LVS"**

**LARGE VOLUME SERVICE  
(Continued)**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or to Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "HLFS"  
HIGH LOAD FACTOR SERVICE**

**AVAILABILITY**

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes that would otherwise qualify for Medium Volume Service or Large Volume Service and with winter months' consumption, defined as the months of January through March, being less than thirty-five percent (35%) of their annual consumption. In addition, the Customer must use natural gas in at least eleven (11) of the twelve (12) months under review and usage must be fairly evenly distributed throughout the review period. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption or winter months consumption warrant such a change. A Customer will remain on this Rate Schedule as long as winter months' consumption is less than thirty-seven percent (37%) of their annual consumption and the Customer qualifies for Medium Volume Service or Large Volume Service. The annual review process will be based on the twelve (12) months ended May. Customers will not be shifted between Rate Schedules due to changes in annual consumption or winter months' consumption other than after the annual review.

**DELIVERY SERVICE RATES**

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$125.00 per month
All gas consumed	\$0.084 per Ccf

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "HLFS" provided on Sheet No. 42.

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**Issue Date:** February 20, 2018  
**Effective Date:** For Service Rendered on and after March 1, 2019  
**Authorization:**

**RATE SCHEDULE "HLFS" HIGH LOAD FACTOR SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service rate applied to all gas consumption

Firm Balancing Service Rate:                      \$0.010 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this Rate Schedule is the Customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the Customer in one (1) location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles and except for sale or transportation of CNG to third parties.

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**Issue Date: August 31, 2018**

**Effective Date: For Service Rendered on and after November 1, 2018 (Temporary Basis)**

**Authorization: Order No. 9272 dated September 25, 2018 in Docket No. 18-1056**

**RATE SCHEDULE "HLFS"**

**HIGH LOAD FACTOR SERVICE  
(Continued)**

**SPECIAL TERMS AND CONDITIONS OF SERVICE (Continued)**

- (3) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service, as authorized under the Company's Tariff, may be required to pay a transition charge in the future to prevent the remaining firm Gas Sales Service Customers from having to absorb stranded fixed gas supply costs which would otherwise be collected from the firm Gas Sales Service Customers switching to Transportation and Balancing Service.
- (4) A firm Customer that transfers from Gas Sales Service to Transportation and Balancing Service or to Interruptible Sales Service, as authorized under the Company's Tariff, will be billed for or receive credit for any under or over collection of gas costs from prior periods.
- (5) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: December 20, 2016**

**Effective Date: January 1, 2017**

**Authorization: Order No. 8982 dated December 20, 2016 in Docket No. 15-1734**

**RATE SCHEDULE "NGV"**

**NATURAL GAS VEHICLE**

**SERVICE AVAILABILITY**

This Rate Schedule is available to any Customer operating a motor vehicle that is capable of using compressed natural gas ("CNG") as a fuel if the equipment installed on the vehicle meets industry recognized standards and if the operator is authorized by the Company to fuel a motor vehicle with the CNG as the result of completing the Company's training program or a program determined by the Company, in its sole discretion, to be an equivalent training program.

This gas service will be available at Chesapeake Utilities Corporation, 500 Energy Lane, Dover, Delaware 19901. Service hereunder is subject to availability of the Company's gas supply, adequate distribution system capabilities and other resources available to and as determined by the Company.

This gas service is subject to interruption, at the Company's option, at any time during the year without notice and for an indefinite period of time. The Company has no obligation whatsoever to make CNG available to any Customer and may interrupt service at any time without notice.

**TERM**

Service under this contract will terminate, with ninety (90) days' notice, at the discretion of the Company or the Commission. This notice shall be given by registered letter.

**COMMODITY CHARGE (Posted Price)**

The price per Ccf of CNG will be posted at the CNG Station on the first (1<sup>st</sup>) day of each month and will be set at the average price for CNG for the central Atlantic region as published by the U.S. Department of Energy in its most recent Clean Cities Alternative Fuel Price Report or its successor publication, plus any applicable tax imposed by any governmental entity on natural gas sales or CNG sales.

The price charged to any Customer will be reduced from the posted price to the extent the posted price includes a tax or taxes imposed by any governmental entity on natural gas sales or CNG sales and the Customer is exempt from such tax or taxes.

If the Customer is exempt from federal or state taxes imposed with respect to sales of CNG for motor vehicle use, the price charged to the Customer will be reduced from the posted price by the tax or taxes on CNG from which the Customer is exempt.

In no event will CNG be sold if the price as determined above is below the price level established for Company-Use Gas.

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**Issue Date: October 9, 2018**

**Effective Date: November 1, 2018**

**Authorization: Order No. 9280 dated October 9, 2018**

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**Issue Date: September 2, 2008**

**Effective Date: For Bills Rendered on and after September 3, 2008**

**Authorization: Order No. 7434 dated September 2, 2008 in PSC Docket No. 07-186**



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**Issue Date: September 2, 2008**

**Effective Date: For Bills Rendered on and after September 3, 2008**

**Authorization: Order No. 7434 dated September 2, 2008 in PSC Docket No. 07-186**

**RATE SCHEDULE "GLR"**

**GAS LIGHTING SERVICE**

**AVAILABILITY**

This Rate Schedule is available for unmetered residential outdoor gas lights as herein specified where the Company's existing distribution mains and services are suitable to supply such service.

**DELIVERY SERVICE RATE**

The following rate for delivering gas to the Customer's location applies to all Customers served under this Rate Schedule.

Each 2 cu. ft./hr. or less \$12.45 per month.

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "GLR" provided on Sheet No. 42.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) The Customer shall install and own the lighting devices.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: January 31, 2019**

**Effective Date: For Service Rendered on and after March 1, 2019**

**Authorization:**

**RATE SCHEDULE "GLO"**

**GAS LIGHTING SERVICE**

**AVAILABILITY**

This Rate Schedule is available for unmetered outdoor gas lights for other than residential use as herein specified where the Company's existing distribution mains and services are suitable to supply such service.

**DELIVERY SERVICE RATE**

The following rate for delivering gas to the Customer's location applies to all Customers served under this Rate Schedule.

Each 2 cu. ft./hr. or less \$12.45 per month.

**GAS SALES SERVICE**

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "GLO" provided on Sheet No. 42.

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the Customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within twenty (20) days of their date.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this Rate Schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) The Customer shall install and own the lighting devices.
- (3) In addition to the above Delivery Service rates, Customers served under this Rate Schedule may be subject to one (1) or more riders containing additional charges applicable to the service received, such as ER and any applicable franchise fees.

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**Issue Date: January 31, 2019**

**Effective Date: For Service Rendered on and after March 1, 2019**

**Authorization:**